

Why Use Python for Trading

We shall give a non-technical overview of why we prefer Python for trading.

Short answer

1. It is easy to learn.
2. It is widely supported (plenty of code templates and community support).
3. It is free.
4. It is the most popular data science language and is getting more popular.
5. It is used in QuantConnect
6. Links up with brokers and Cryptocurrency exchanges

Long answer

It is easy to learn

Many would say Python's code looks similar to regular words. Though I doubt you'll think so if you are new to coding.

Nevertheless, if you've coded in Python vs another language for data analysis (Excel VBA doesn't count), Python code does look slightly readable. The other languages probably look like hieroglyph (ancient Egyptian writing found on the inner walls of the Pyramids) to you.

It is widely supported (plenty of code templates and community support)

People create free code for others to use. These are called code libraries or packages.

There are libraries for data analysis, plotting charts, scrapping websites and machine learning etc. These libraries make life much easier for us when it comes to trading research and execution. We can just plug the code in and use it for our strategy analyses.

There are over 160,000 libraries available!

It is free

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It is used in QuantConnect

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Links up with brokers and crypto exchanges

We can use Python to connect to brokers and crypto exchanges. Brokers are companies that facilitate trading. Basically, they help connect buyers to sellers, and vice versa. We need to sign up with them in order to trade.

It is the most popular data science language and is getting more popular

When more people use it, more libraries will be created for it and there will be more integrations with brokers and other websites/services that might be relevant for us.

Python vs R

The second most popular language is R.

The main reasons we choose Python over R are because Python is easier for beginners to pick up and is gaining in popularity.

For those who are keen on some (technical) comparisons between Python and R:

https://www.matthewrenze.com/articles/choosing-r-vs-python-for-data-science/?utm_campaign=News&utm_medium=Community&utm_source=DataCamp.com

Python vs C++ or C

Python is not a fast language. If you want to run a strategy that requires low latency (i.e. you need to be fast) such as [standard](#) or [latency arbitrage](#), you need a language like C++ or C (or even use things like [FPGA](#)).

You can compare the speeds of different programming language here: [Compare!](#)